

ND PUBLIC EMPLOYEES RETIREMENT SYSTEM
INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2005

	August-05				July-05				Current	Prior Year	3 Years	5 Years	
	Allocation			Month	Allocation			Month	Fiscal YTD	FY05	3 Years	5 Years	
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	6/30/2005	6/30/2005	
Net													Net
LARGE CAP DOMESTIC EQUITY													
Structured Growth													
LA Capital	69,731,244	4.6%	4.5%	-0.36%	67,881,351	4.5%	4.5%	4.40%	4.03%	8.17%	N/A	N/A	
Total Structured Growth	69,731,244	4.6%	4.5%	-0.36%	67,881,351	4.5%	4.5%	4.40%	4.03%	8.17%	10.28%	-9.00%	
Russell 1000 Growth				-1.29%				4.89%	3.54%	1.67%	7.90%	-10.03%	
Structured Value													
LSV	69,404,726	4.6%	4.5%	-0.34%	75,644,860	5.0%	4.5%	3.87%	3.51%	18.24%	9.48%	11.69%	
Russell 1000 Value				-0.43%				2.89%	2.45%	14.06%	7.09%	3.03%	
Enhanced Russell 1000 Index													
LA Capital	92,990,155	6.1%	6.0%	0.46%	91,034,405	6.0%	6.0%	4.08%	4.55%	7.39%	7.82%	N/A	
Russell 1000				-0.87%				3.89%	2.99%	7.92%	7.50%	N/A	
Enhanced S&P 500 Index													
Northern Trust	91,684,342	6.1%	6.0%	-0.61%	89,880,919	5.9%	6.0%	3.82%	3.19%	6.02%	7.19%	N/A	
Westridge	91,707,866	6.1%	6.0%	-0.89%	89,765,904	5.9%	6.0%	3.75%	2.82%	6.66%	7.25%	N/A	
Total Enhanced S&P 500 Index	183,392,208	12.1%	12.0%	-0.75%	179,646,823	11.8%	12.0%	3.78%	3.00%	6.26%	7.74%	N/A	
S&P 500				-0.91%				3.72%	2.77%	6.32%	7.06%	N/A	
S&P 500 Index													
State Street	46,016,547	3.0%	3.0%	-0.91%	44,366,653	2.9%	3.0%	3.72%	2.77%	6.34%	7.07%	-3.00%	
S&P 500				-0.91%				3.72%	2.77%	6.32%	7.06%	-3.03%	
TOTAL LARGE CAP DOMESTIC EQUITY	461,534,881	30.5%	30.0%	-0.40%	458,574,092	30.2%	30.0%	3.94%	3.52%	8.65%	7.79%	-1.69%	
S&P 500				-0.91%				3.72%	2.77%	6.32%	7.06%	-3.03%	
SMALL CAP DOMESTIC EQUITY													
Manager-of-Managers													
SEI	156,518,640	10.3%	10.0%	-2.09%	166,181,676	11.0%	10.0%	6.81%	4.57%	9.36%	11.97%	N/A	
Russell 2000 + 200bp				-1.69%				6.50%	4.71%	11.64%	12.64%	N/A	
TOTAL SMALL CAP DOMESTIC EQUITY	156,518,640	10.3%	10.0%	-2.09%	166,181,676	11.0%	10.0%	6.81%	4.57%	9.36%	11.97%	4.70%	
Russell 2000				-1.85%				6.34%	4.36%	9.45%	11.04%	4.71%	
INTERNATIONAL EQUITY													
Large Cap - Core													
State Street	15,832,889	1.0%	1.0%	2.53%	15,826,233	1.0%	1.0%	3.04%	5.65%	7.68%	6.63%	-2.56%	
MSCI EAFE (1)				2.53%				3.07%	5.67%	9.59%	6.00%	-3.56%	
Large Cap - Active													
Capital Guardian	47,270,828	3.1%	3.0%	3.17%	47,129,116	3.1%	3.0%	3.46%	6.75%	11.23%	5.89%	-3.81%	
LSV	47,024,278	3.1%	3.0%	1.77%	46,633,436	3.1%	3.0%	3.45%	5.27%	N/A	N/A	N/A	
Bank of Ireland	15,552,271	1.0%	1.0%	0.94%	15,515,036	1.0%	1.0%	3.29%	4.26%	12.20%	N/A	N/A	
Total Large Cap - Active	109,847,378	7.2%	7.0%	2.26%	109,277,588	7.2%	7.0%	3.43%	5.76%	13.74%	5.55%	-3.78%	
MSCI EAFE - 50% Hedged				1.95%				3.40%	5.42%	14.41%	5.92%	-3.60%	
Small Cap - Active													
Lazard	15,937,504	1.1%	1.0%	2.74%	16,008,758	1.1%	1.0%	4.14%	6.99%	19.82%	N/A	N/A	
Wellington	16,967,197	1.1%	1.0%	1.43%	15,799,070	1.0%	1.0%	3.53%	5.00%	12.00%	N/A	N/A	
Total Small Cap - Active	32,904,701	2.2%	2.0%	2.09%	31,807,828	2.1%	2.0%	3.83%	6.00%	15.90%	N/A	N/A	
Citigroup Broad Market Index < \$2BN				3.00%				3.90%	7.02%	21.33%	N/A	N/A	
TOTAL INTERNATIONAL EQUITY	158,584,968	10.5%	10.0%	2.25%	156,911,649	10.3%	10.0%	3.47%	5.80%	13.12%	7.85%	-1.83%	
MSCI EAFE - 50% Hedged				1.95%				3.40%	5.42%	14.41%	5.92%	-3.60%	
EMERGING MARKETS EQUITY													
Capital Guardian	60,280,636	4.0%	3.6%	0.01%	60,273,464	4.0%	3.6%	7.06%	7.07%	33.94%	13.64%	-0.44%	
UBS	20,874,709	1.4%	1.4%	1.36%	20,579,673	1.4%	1.4%	N/A	N/A	N/A	N/A	N/A	
TOTAL EMERGING MARKETS EQUITY	81,155,345	5.4%	5.0%	0.35%	80,853,137	5.3%	5.0%	7.06%	7.44%	33.94%	13.64%	-0.44%	
MSCI Emerging Markets Free				0.90%				7.08%	8.04%	34.89%	15.55%	2.97%	
DOMESTIC FIXED INCOME													
Core Bond													
Western Asset	34,790,456	2.3%	2.4%	1.15%	37,289,704	2.5%	3.0%	-0.58%	0.57%	7.25%	5.18%	7.52%	
Lehman Aggregate				1.28%				-0.91%	0.36%	6.80%	3.58%	6.07%	
Index													
Bank of ND	69,036,570	4.6%	4.7%	1.67%	66,625,466	4.4%	4.7%	-1.22%	0.42%	7.23%	3.82%	6.36%	
Bank of ND Match Loan CD Program	19,811,137	1.3%	1.3%	0.43%	19,817,738	1.3%	1.3%	0.42%	0.85%	5.08%	3.90%	4.67%	
Total Index	88,847,707	5.9%	6.0%	1.36%	86,443,205	5.7%	6.0%	-0.81%	0.54%	6.91%	3.74%	6.10%	
Lehman Gov/Credit				1.49%				-1.13%	0.35%	7.26%	4.07%	6.28%	
Convertibles													
TCW	34,549,394	2.3%	2.4%	-0.29%	29,681,903	2.0%	2.1%	2.77%	2.47%	-0.23%	9.71%	-2.10%	
Merrill Lynch All Convertibles				-0.07%				3.19%	3.13%	0.66%	10.83%	0.99%	

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	August-05				July-05				Current	Prior Year	3 Years	5 Years
	Allocation		Month		Allocation		Month		Fiscal YTD	FY05	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	6/30/2005 Net	6/30/2005 Net
BBB Average Quality												
Wells Capital (formerly Strong)	36,484,699	2.4%	2.4%	1.50%	42,742,683	2.8%	3.0%	-0.50%	0.99%	12.04%	5.51%	6.57%
Lehman BBB				1.48%				-0.74%	0.74%	8.60%	6.46%	6.25%
Private Debt												
Prudential	34,061,453	2.2%	2.2%	1.58%	3,355,451	0.2%	0.2%	-0.86%	0.70%	N/A	N/A	N/A
Lehman Aggregate				1.28%				-0.91%	0.36%	N/A	N/A	N/A
Timberland												
RMK	36,879,334	2.4%	2.4%	-0.08%	41,991,535	2.8%	2.8%	-0.08%	-0.16%	14.50%	7.45%	N/A
TIR	92,707,905	6.1%	6.1%	-0.03%	105,559,304	7.0%	7.0%	-0.03%	-0.06%	N/A	N/A	N/A
Total Timberland	129,587,239	8.6%	8.6%	-0.04%	147,550,839	9.7%	9.7%	-0.04%	-0.09%	44.29%	7.48%	N/A
NCREIF Timberland Index				1.22%				1.22%	2.45%	14.07%	3.53%	N/A
TOTAL DOMESTIC FIXED INCOME	358,320,948	23.6%	24.0%	0.62%	347,063,785	22.9%	24.0%	-0.13%	0.49%	19.23%	5.63%	5.26%
Lehman Aggregate				1.28%				-0.91%	0.36%	6.80%	3.58%	6.07%
HIGH YIELD BONDS												
Loomis Sayles	37,983,166	2.5%	2.5%	0.37%	38,128,142	2.5%	2.5%	1.66%	2.03%	15.96%	N/A	N/A
Lehman High Yield Cash Pay Index				0.31%				1.58%	1.89%	10.83%	N/A	N/A
Sutter/Wells Capital	37,892,227	2.5%	2.5%	0.26%	37,546,119	2.5%	2.5%	1.82%	2.08%	9.62%	N/A	N/A
Merrill Lynch High Yield Master II Index				0.31%				1.58%	1.89%	10.63%	N/A	N/A
TOTAL HIGH YIELD BONDS	75,875,393	5.0%	5.0%	0.31%	75,674,261	5.0%	5.0%	1.74%	2.06%	12.76%	9.68%	3.43%
Lehman High Yield Bond Index				0.31%				1.58%	1.89%	10.86%	11.34%	5.67%
INTERNATIONAL FIXED INCOME												
International Sovereign												
UBS Global (Brinson)	37,505,338	2.5%	2.5%	1.59%	33,576,189	2.2%	2.5%	-0.66%	0.91%	7.92%	8.76%	6.79%
Citigroup Non-US Gov't Bond Index (2)				1.85%				-0.98%	0.85%	7.75%	8.56%	6.51%
International Core												
Brandywine	37,374,587	2.5%	2.5%	1.46%	36,055,224	2.4%	2.5%	-0.55%	0.91%	11.78%	N/A	N/A
Lehman Global Aggregate (ex-US)				1.88%				-0.73%	1.14%	8.10%	N/A	N/A
TOTAL INTERNATIONAL FIXED INCOME	74,879,925	4.9%	5.0%	1.52%	69,631,414	4.6%	5.0%	-0.60%	0.91%	9.84%	8.95%	6.91%
Citigroup Non-US Gov't Bond Index (2)				1.85%				-0.98%	0.85%	7.75%	8.56%	6.51%
REAL ESTATE												
INVESCO	37,566,286			-1.39%	38,096,777			0.00%	-1.39%	22.20%	4.41%	5.80%
J.P. Morgan	39,022,404			1.71%	38,364,735			0.99%	2.72%	19.52%	7.15%	7.15%
TOTAL REAL ESTATE	76,588,691	5.1%	5.0%	0.17%	76,461,513	5.0%	5.0%	0.49%	0.66%	20.77%	5.77%	6.48%
NCREIF TOTAL INDEX				1.75%				1.75%	3.53%	18.02%	7.29%	7.95%
ALTERNATIVE INVESTMENTS												
Brinson IVCF II	90,179			0.00%	90,179			0.00%	0.00%	0.89%	3.39%	-11.85%
Coral Partners II	123,908			0.00%	123,908			0.00%	0.00%	1.13%	8.06%	-21.69%
Coral Partners V	4,437,653			0.00%	4,434,840			0.00%	0.00%	-18.97%	-18.86%	-19.31%
Coral Partners V - Supplemental	542,278			0.00%	541,986			0.00%	0.00%	-6.85%	-2.23%	N/A
Coral Partners VI	4,196,278			0.00%	4,194,016			0.00%	0.00%	-1.17%	N/A	N/A
Brinson 1998 Partnership Fund	1,303,458			0.00%	1,464,528			0.00%	0.00%	19.64%	-2.29%	-5.29%
Brinson 1999 Partnership Fund	2,437,095			0.00%	2,435,781			0.00%	0.00%	9.31%	-1.36%	-6.39%
Brinson 2000 Partnership Fund	5,038,578			0.00%	5,035,846			0.00%	0.00%	14.97%	-1.48%	-3.53%
Brinson 2001 Partnership Fund	3,051,214			0.00%	3,049,569			0.00%	0.00%	4.00%	0.09%	N/A
Brinson 2002 Partnership Fund	1,883,585			0.00%	1,692,076			0.00%	0.00%	-4.22%	7.67%	N/A
Brinson 2003 Partnership Fund	366,465			0.00%	366,268			0.00%	0.00%	1.71%	N/A	N/A
Brinson 1999 Non-US Partnership Fund	1,397,798			0.00%	1,397,045			0.00%	0.00%	32.09%	11.06%	5.27%
Brinson 2000 Non-US Partnership Fund	1,659,427			0.00%	1,658,533			0.00%	0.00%	15.57%	8.11%	1.89%
Brinson 2001 Non-US Partnership Fund	1,667,982			0.00%	1,383,998			0.00%	0.00%	9.19%	5.12%	N/A
Brinson 2002 Non-US Partnership Fund	2,143,145			0.00%	2,600,843			0.00%	0.00%	12.60%	7.72%	N/A
Brinson 2003 Non-US Partnership Fund	931,720			0.00%	931,218			0.00%	0.00%	2.52%	N/A	N/A
Brinson 2004 Non-US Partnership Fund	298,536			0.00%	298,375			0.00%	0.00%	0.42%	N/A	N/A
Brinson BVCF IV	7,197,304			0.00%	7,508,226			0.00%	0.00%	6.06%	1.13%	-8.29%
Matlin Patterson Global Opportunities	7,605,334			0.00%	8,333,915			0.00%	0.00%	102.75%	N/A	N/A
Matlin Patterson Global Opportunities II	5,029,500			0.00%	4,027,923			0.00%	0.00%	N/A	N/A	N/A
InvestAmerica	1,292,926			0.00%	1,292,229			0.00%	0.00%	-18.88%	-6.88%	N/A
Hearthstone MSII	0			0.00%	0			0.00%	0.00%	1214.92%	18.39%	13.51%
Hearthstone MSIII	7,636,725			0.00%	7,632,608			0.00%	0.00%	16.51%	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (3)	60,331,090	4.0%	5.0%	0.00%	60,493,908	4.0%	5.0%	0.00%	0.00%	17.24%	3.02%	-4.45%
CASH EQUIVALENTS												
Northern Trust STIF/STEP	11,386,059	0.8%	1.0%	0.28%	24,799,750	1.6%	1.0%	1.56%	1.84%	2.19%	1.71%	2.65%
90 Day T-Bill				0.29%				0.23%	0.52%	2.15%	1.01%	2.29%
TOTAL FUND	1,515,175,939	100.0%	100.0%	0.14%	1,516,645,184	100.0%	100.0%	2.32%	2.46%	14.07%	11.96%	4.66%
POLICY TARGET BENCHMARK				0.29%				2.34%	2.64%	10.46%	9.88%	3.83%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.

(2) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.

(3) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.